

Homestead Credit Refund Program

March 2024

What is the homestead credit refund program?

The homestead credit refund is a state-paid refund that provides tax relief to homeowners whose property taxes are high relative to their incomes. The program was previously known as the homeowner's property tax refund program, or PTR, and sometimes popularly called the "circuit breaker." If the property tax exceeds a threshold percentage of income, the refund equals a percentage of the property tax over the threshold, up to a maximum amount. As income increases:

- the threshold percentage increases,
- the share of tax over the threshold that the taxpayer must pay (the "copay percentage") increases, and
- the maximum refund decreases.

The program uses household income, a broad measure that includes most types of income, including income that is not subject to income tax. Deductions are allowed for dependents and for claimants who are over age 65 or disabled. The refund is based on taxes payable after subtracting any targeting refund claimed by the homeowner. (The targeting refund is an additional refund available to homeowners who have large property tax increases from one year to the next.)

What are the maximums?

For refund claims filed in 2024, based on property taxes payable in 2024 and 2023 household income, the maximum refund is \$3,310. Homeowners whose income exceeds \$135,410 are not eligible for a refund.

How are claims filed?

Refund claims are filed using the Minnesota Department of Revenue (DOR) Schedule M1PR, which is filed separately from the individual income tax form. Claims based on taxes payable in 2024 that are filed before August 15, 2024, will be paid beginning in late September 2024; claims filed electronically may be paid a month earlier. The deadline for filing claims based on taxes payable in 2024 is August 15, 2025; taxpayers filing claims after that date will not receive a refund.

How many homeowners receive refunds, and what is the total amount paid?

494,627 homeowners received refunds based on 2022 property taxes payable and 2021 incomes. The average refund was \$1,129, and the total dollar amount of refunds paid statewide was \$558.5 million. The average refund for senior and disabled claimants (\$1,188) was slightly higher than the average for those under age 65 and not disabled (\$1,079).

What are the most recent changes to the program?

The 2023 tax law reduced co-pay percentages for all filers by three percentage points. The law also provided a one-time increase of 20.572% for all property tax refunds payable in 2023. Additionally, the law converted the renter's credit program, which had previously been administered together with the homestead credit, into a refundable income tax credit (effective for refunds payable in 2025).

How do refunds vary depending upon the filer's income and property tax?

The following table shows the refund calculations for four example families with different incomes—two families in the seven-county metro area and two in Greater Minnesota. Although the program parameters are the same statewide, the average residential homestead property tax in the metro area is higher than in Greater Minnesota. The example metro area families have homes valued at \$420,700 and property taxes of \$4,910, the average amounts for the metro area in 2023. The example families in Greater Minnesota have homes valued at \$289,000 and property taxes of \$2,926, the average amounts for Greater Minnesota in 2023. Taxpayers who are over age 65, disabled, or have dependents are allowed a subtraction from income in determining the refund.

Married couple, both under age 65, two dependents
Example refunds for claims to be filed in 2024,
based on taxes payable in 2024 and 2023 income

		Metro Area		Greater Minnesota	
		Taxpayer #1	Taxpayer #2	Taxpayer #3	Taxpayer #4
1	Property tax	\$4,910	\$4,910	\$1,880	\$1,880
2	Gross income	\$40,000	\$83,000	\$40,000	\$83,000
3	Deduction for dependents	\$12,960	\$12,960	\$12,960	\$12,960
4	Household income (2 – 3 = 4)	\$27,040	\$70,040	\$27,040	\$70,040
5	Threshold income percentage	2.0%	2.0%	2.0%	2.0%
6	Threshold % x income (4 x 5 = 6)	\$541	\$1,401	\$541	\$1,401
7	Property tax over threshold (1 – 6 = 7)	\$4,369	\$3,509	\$2,385	\$1,525
8	Statutory copay percentage	22%	32%	22%	32%
9	Taxpayer copay amount (7 x 8 = 9)	\$961	\$1,123	\$525	\$488
10	Remaining tax over threshold (7 – 9 = 10)	\$3,408	\$2,386	\$1,860	\$1,037
11	Maximum refund allowed	\$3,310	\$2,680	\$3,310	\$2,680
12	Net property tax refund	\$3,310	\$2,386	\$1,860	\$1,037
13	Net property tax paid after refund (1 – 12)	\$1,600	\$2,524	\$1,066	\$1,889

Claimants can check the status of their refund by calling DOR at 651-296-4444 or [online](#) at www.revenue.state.mn.us.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.